

Guidance Notes

Local Government Pension Scheme

1. INTRODUCTION

To help people save more for their retirement, the government requires employers to enrol their employees into a workplace pension scheme. This applies to employees who aren't already in one in respect of any of their employments and who, in respect of that employment are aged 22 or over and under State Pension Age and who earn over £10,000 a year (or pro-rata per pay period) into a workplace pension scheme.

2. AUTOMATIC ENROLMENT

The Council provides membership of the Local Government Pension Scheme (LGPS) provided by Strathclyde Pension Fund to employees aged under 75 who have a contract of employment that is for at least 3 months. As this applies to you, you will be automatically entered into membership of the LGPS in your post, but have the right to opt out.

A copy of the employees' guide to the LGPS 2015 can be viewed at www.spfo.org.uk. This provides full details of the benefits of belonging to the scheme. As a member of the scheme you will be required to contribute the percentage of your salary as set out in the table below. The Council will also contribute to the scheme on your behalf, with the Council contribution to the scheme being determined at each triennial valuation of the Pension Fund by the Fund's appointed actuary.

LGPS Scotland – Employee contribution tables for 2026/2027

Actual Pensionable Pay	Employee Contribution Rate
On earnings up to and including £28,500	5.5%
On earnings above £28,501 and up to £34,900	7.25%
On earnings above £34,901 and up to £47,800	8.5%
On earnings above £47,801 and up to £63,800	9.5%
On earnings of £63,801 and above	12%

Notes:

1. The pensionable pay figures will be increased each April in line with the cost of living.
2. Contribution rates will be based on pensionable pay as at 1 April each year. It is our policy to review the contribution rate should there be a permanent change in your terms and conditions affecting your pensionable salary and any adjustment in contributions would commence immediately following the change.
3. The employee contribution rate applicable to your salary within the above pay bands can be found by visiting www.spfo.org.uk.
4. If you elect for the 50/50 section of the scheme you will pay half of the rates listed above.

The Pension Scheme

The LGPS in which you participate is a qualifying pension scheme, which means it meets or exceeds the government's standards. You will receive tax relief on your pension contributions, and on any extra contributions you choose to pay to the LGPS. In the LGPS, tax relief is given under the net pay arrangements (in accordance with section 193 of the Finance Act 2004).

Can I opt out of the scheme?

If you do not wish to be a member of the scheme (or decide at some later date that you do not wish to remain a member), you will be able to opt out. You can do this by obtaining an Opting Out form and For Your Future Leaflet from the Strathclyde Pension Fund website www.spfo.org.uk or contact Strathclyde Pension Fund Customer Services on 0345 890 8999 for further information. Please note, however, that you will not be able to sign and date the opting out form until, at the earliest, the first day of membership of the scheme. If you make a valid opt out within 3 months of being enrolled into the LGPS you will be treated for all purposes as not having become an active member of the LGPS on this occasion and the Council will refund to you the contributions paid by you.

If you do not opt out within the 'opt out period' mentioned above, you will still be able to opt out of the LGPS at any time in the future and be entitled to whatever benefits are due under the rules of the LGPS.

If I opt out, can I re-join the LGPS at a later date?

Yes, should you decide at any time to opt out, you have the right to opt to rejoin the LGPS from the beginning of the next available pay period after electing to rejoin (subject, of course, to meeting the normal requirements for being eligible for membership of the scheme and being under age 75 at that time). To do so, please:

- send a letter, signed by you, to Payroll and Pensions Team, South Ayrshire Council, Wellington Square, Ayr, KA7 1DR, stating the name of the post (s) in which you wish to join the scheme; or
- send an email with your request containing the phrase *"I confirm I personally submitted this notice to join the Local Government Pension Scheme"* to PayrollandPensions@south-ayrshire.gov.uk

You will then be sent further information on the scheme, including relevant forms to complete, and will be enrolled into the LGPS.

Regular re-enrolment

If you decide at any time to opt out of membership of the LGPS you will automatically be re-enrolled into the scheme on what is called the "re-enrolment date" if, on that date, you are aged at least 22, under State Pension Age and earning more than £10,000 (current figure) or pro-rata per pay period, unless you had opted out within 12 months prior to the "re-enrolment date". The "re-enrolment date" is a date chosen by the Council and will be within a period of 3 months either side of every 3rd anniversary of 1 May 2013.

A commitment from the Council

The Council must continue to maintain your membership of the LGPS (unless you personally choose to opt out of membership of the scheme or cease to be eligible for membership), and the Council must ensure the scheme continues to meet certain government standards.

Right of Appeal

If you have sought further information or clarification from the sources referred to above but you are not satisfied with any decision affecting you made in relation to the LGPS, you have the right to ask for that decision to be looked at again under a formal complaint procedure. The complaint procedure's official name is the "Internal Dispute Resolution Procedure".

The formal complaint procedure has two stages. Many complaints are resolved at the first stage. Any complaint you make should be treated seriously, and considered thoroughly and fairly. You can ask someone to take your complaint forward on your behalf this could be, for instance a Trade Union official or work colleague.

No charge is made at any stage for investigating a complaint under the internal dispute resolution procedure. But expenses that you will have to meet are your own (and/or your representative's) time, stationery and postage.

The 2 stage procedure is as follows:

Stage 1:

If you need to make a formal complaint, you must make it

- in writing to Payroll and Pensions Team, South Ayrshire Council, Wellington Square, Ayr, KA7 1DR, and
- within 6 months of the day when you were told of the decision you want to complain about.

Your complaint should be submitted on the standard form available from the SPFO website, www.spfo.org.uk and will be considered carefully by the nominated person who will either uphold or dismiss the appeal but must first consult with Strathclyde Pension Fund to ensure any determination made is in accordance with the Regulations. The decision will be given to you in writing within 2 months of receiving it or if there is no decision made within this time limit, you should be informed of the reason for any delay and when you may expect a decision. The nominated person's determination for each appeal case must be forwarded to Strathclyde Pension Fund Office.

Stage 2:

You can ask the Scottish Ministers to take a fresh look at your complaint in any of the following circumstances:

- you are not satisfied with the nominated person's first-stage decision,
- you have not received a decision or an interim letter from the nominated person, and it is 3 months since you lodged your complaint,
- it is one month after the date by which the nominated person told you (in an interim letter) that they would give you a decision, and you have still not received that decision.

This review would be undertaken by a person not involved in the first stage decision.

You will need to send copies of all papers that were submitted at Stage 1 to the Scottish Ministers:

- within 6 months of the date of the nominated person's decision, or

- within 9 months from the date you submitted your complaint if the nominated person has not given you a decision within 3 months of the date you originally submitted your complaint, or
- if the nominated person gives you an interim decision but not a final decision, within 7 months of the date the nominated person had promised to give you a final decision.

The Scottish Ministers will consider your complaint and give you their decision in writing with 2 months of receiving it or let you know the reason for the delay and when you may expect a reply.

If you are still unhappy following the Scottish Ministers second stage decision, you can take your case to The Pensions Advisory Service and then the Pensions Ombudsman provided you do so within 3 years from the date of the original decision (or lack of a decision) about which you had complained. Contact details for these organisations are available on the SPFO website www.spfo.org.uk.

3. WHERE TO GO FOR FURTHER INFORMATION

For further information on the Local Government Pension Scheme please visit www.spfo.org.uk.

If you have any questions about the scheme, please contact Strathclyde Pension Fund on 0845 213 0202 or write to Strathclyde Pension Fund Office, PO Box 27001, Glasgow G2 9EW.

If you have any other queries, please contact PayrollAndPensions@south-ayrshire.gov.uk

For more general information about pensions and saving for retirement please visit www.direct.gov.uk/workplacepensions.